

# A SPECIAL REPORT FOR SENIORS ON MEDICARE PART D AND OTHER SERVICES

## Look Inside to Find

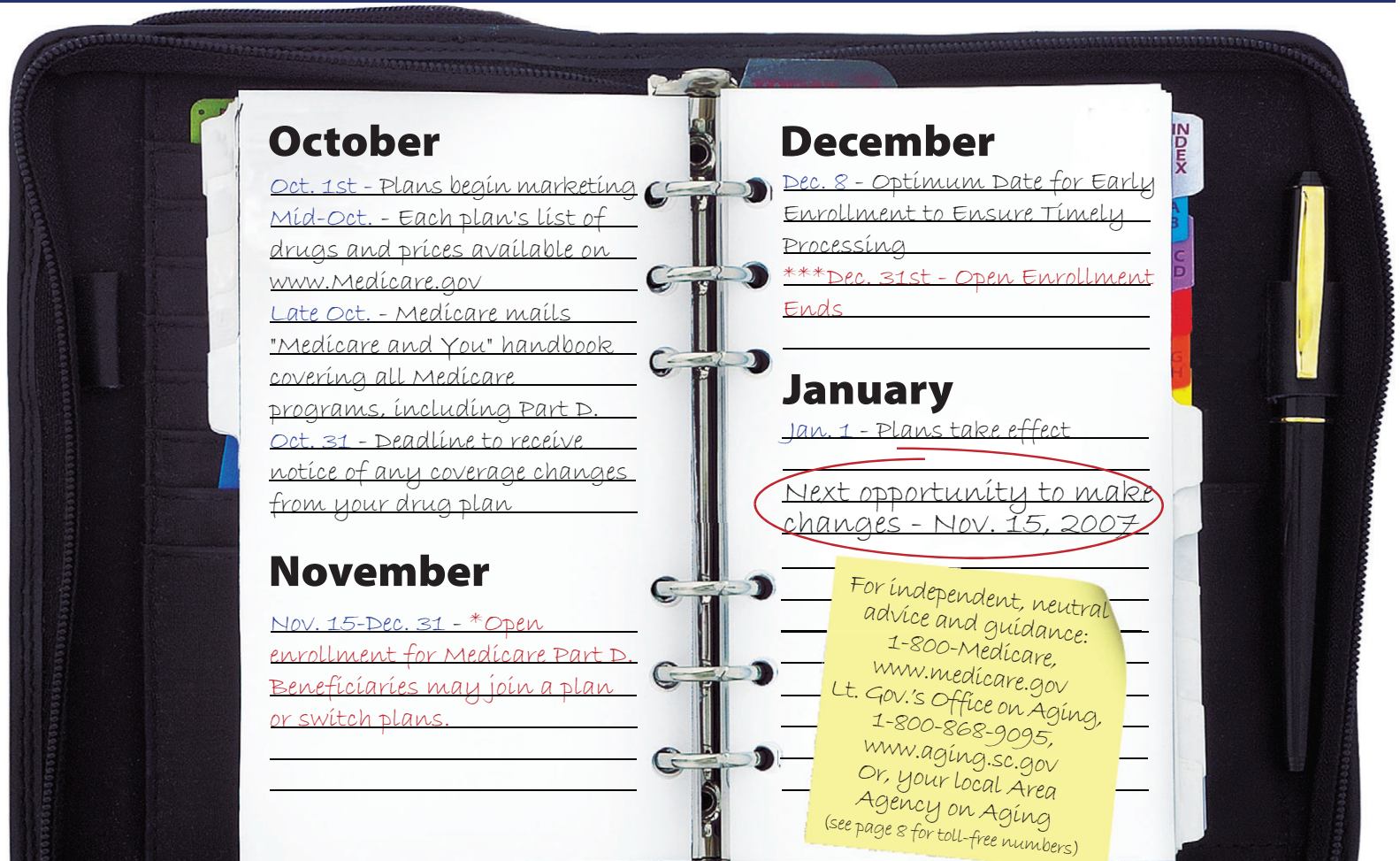
Activities That Can  
Preserve Our Minds  
- Page 2

New Plan Helps  
Fight Chronic Disease  
- Page 3

Medicare Part D  
Plans in SC- Page 4

Is a Medicare  
Advantage Private-  
Fee-For-Service-Plan  
Right For Me? - Page 6

S.C. Gaps Can Help  
With Doughnut Hole  
Expenses - Page 7



## A REMINDER FOR SOUTH CAROLINA'S 663,000 MEDICARE BENEFICIARIES FROM THE LT. GOVERNOR'S OFFICE ON AGING

### Five Crucial Questions about your Medicare Coverage

The past year has seen huge changes in the Medicare program, as provisions included in the 2003 Medicare Modernization Act were phased in. Most notably, of course, was the addition of a prescription drug benefit available to all Medicare beneficiaries.

November 15 marks the beginning of the annual enrollment period for the new Medicare; a time when individuals can make changes to their current coverage that will become effective in 2007. For this issue of "Special Report for Seniors," we asked Gloria MacDonald, head of the Lt. Governor's Office on Aging's I-CARE (Insurance Counseling and Referral for Elders) program what she and her staff felt were the most important issues and most asked questions that people might have about the open enrollment process. Their answers are below.

Even if you don't see the answer to your question in the list, remember that honest, impartial answers to your

Medicare questions or help with a difficult issue involving your Medicare coverage from a trained counselor is always just a phone call away. I-CARE counselors are trained professionals that work for you – not for a particular insurance company or even for Medicare itself. They helped literally thousands of South Carolinians through the often confusing process of applying for Medicare Part D coverage for the first time, and they are still on the job, helping people sort through the options available to them.

1. Medicare Advantage Plans – What are they and is one right for me?

Medicare Advantage Plans are health plan options that are part of the Medicare program. If you join one of these plans, you generally get all your Medicare-covered health care through that plan. This coverage can include prescription drug coverage. Medicare Advantage Plans include:

- Medicare Health Maintenance Organization (HMOs)
- Preferred Provider Organizations (PPO)

- Private Fee-for-Service Plans
- Medicare Special Needs Plans

When you join a Medicare Advantage Plan, you use the health insurance card that you get from the plan for your health care. In most of these plans, generally there are extra benefits and lower co-payments than in the Original Medicare Plan. However, you may have to see doctors that belong to the plan or go to certain hospitals to get services.

For more detailed information, see the article "Is a Medicare Advantage Private-Fee-For-Service-Plan Right for Me?" on page six of this Special Report for Seniors. All of the Medicare Advantage Plans available in South Carolina are listed on page four. You can also compare different Medicare Advantage Plans using Medicare.gov's "Medicare Personal Plan Finder available at the following URL: <http://www.medicare.gov/Choices/Advantage.asp>.

2. What should I do if I can't get a medication filled under the plan I've chosen?

Please see **FIVE CRUCIAL QUESTIONS** page 6



# Activities That Can Preserve Our Minds

**By James G. Bouknight, MD, PhD**

Director of Geriatric Psychiatry  
University of South Carolina School of Medicine

One of the most frightening parts of aging is the possibility that we may lose our mental functioning. Dementia is the loss of memory, ability to use words, and decision making ability. While all of us have times when we can't recall a person's name or a phone number, dementia is impairment in mental functioning that causes us to be unable to carry on with our lives.

Alzheimer's disease is the most common type of dementia. It comprises about 65% of all dementias. The families of these patients are very concerned about their loved ones but they are also concerned about themselves. They ask "Am I at risk for Alzheimer's?" and, especially, "What can I do to avoid getting it?" The drugs that we have at present can't reverse the losses caused by Alzheimer's or other dementias; they can only slow the progression of the disease. There are, however some activities that have been shown to reduce the risk.

A June 19, 2003 article in the New England Journal of Medicine looked at leisure activities that might lower our risk of developing dementia. The authors found that reading, playing board games, playing a musical instrument and dancing were activities which lowered the risk of developing dementia. Frequent participation in these activities lowered the chances of developing dementia by as much as 75% in this study. Other findings of this study show that elderly people who do crossword puzzles four days a week had a risk of dementia that was 47% lower than those who did crossword puzzles once a week.

A study in the Annals of Internal Medicine published in January of 2006 examined the impact of regular exercise on the chances of developing dementia. This was a large study that lasted more than six years. The authors concluded that "regular exercise is associated with a delay in the onset of dementia and Alzheimer's disease". The group with the lowest risk of developing dementia exercise three or more times weekly. Interestingly, those who had the lowest level of physical functioning were the ones who benefited the most from regular exercise. Older individuals who considered themselves "out of shape" were the ones who gained the most from regular exercise. These benefits of physical exercise are not only to the body but also to the mind.

These findings suggest that the old adage "use it or lose it" applies to our minds as well as our bodies. This information should give South Carolina seniors a reason to turn off the TV and get out of the recliner. Television offers passive entertainment. We just sit and absorb what is presented to us without using our abilities to reason and think critically. In order to preserve our mental functioning we need to keep our minds active. Physical and mental activity can keep elderly individuals independent and functional. Making productive choices about physical and mental activity can enhance and lengthen the lives of our seniors.

# I-CARE Working for S.C. Seniors

**By Lt. Governor André Bauer**

Just about one year ago, South Carolina and the rest of the nation embarked on the largest change ever to our Medicare Health Insurance program. Our State Office on Aging was charged by the federal government with the responsibility of providing direct assistance to the more than 650,000 South Carolinians who needed help making a decision about their Medicare Part D coverage through our state's I-CARE (Insurance Counseling and Referral for Elders) program. And with the help of numerous other groups, agencies and volunteers we did just that.



Lt. Governor André Bauer and I-Care State Coordinator Gloria MacDonald listen intently as CMS Administrator Mark McClellan shares the federal government's plans for Medicare Part D with a senior group in Chapin, South Carolina.

Now in South Carolina a higher percentage of our senior population than ever before has access to the lifesaving medications and preventive treatments that can help them to live longer, healthier, more productive lives well into their 70's, 80's and beyond. The federal government estimated in June that approximately 89% of our Medicare-eligible population now has some type of prescription drug coverage.

That's great news, but we've still got some work to do to make sure that every single senior or disabled individual in South Carolina who needs prescription drug coverage has access to it. That's particularly true for the estimated 52,000 folks on fixed incomes who are currently uncovered and may qualify for federal or state assistance programs that would cover most of their out-of-pocket expenses.

November 15 marks the beginning of the first "Open Enrollment" period for Medicare Part D and Medicare Advantage plans, and all Medicare beneficiaries will have the opportunity to fine tune their Medicare choices by adding or dropping coverage, changing their provider or making a change in the type of coverage they have. The open enrollment period lasts until December 31, but Medicare is urging everyone who wants to make a change in their coverage to try and do so before December 8. That way, you'll be sure and allow enough time to have your new insurance card in-hand when the new coverage year begins on January 1.

There are lots of changes to Medicare for 2007, including several new companies providing stand

alone prescription drug coverage under Part D, new premium rates and deductibles for traditional Medicare parts A and B, and an entirely new type of Medicare coverage designed specifically for people trying to manage chronic diseases such as diabetes or hypertension that is available for the first time in South Carolina. From now until the end of the year, Medicare consumers in the state will be on the receiving end of a steady barrage of marketing messages, news stories, statements and mail outs from Medicare and other officials. The Centers for Medicare and Medicaid Services (CMS) announced the start of their "My Health, My Medicare" campaign in September, and in October, the new "Medicare and You" handbooks for 2007 and other information should have started arriving in the mailboxes of all South Carolina Medicare beneficiaries.

The "My Health, My Medicare" campaign is based around four themes or activities that every Medicare beneficiary needs to undertake during open enrollment. According to CMS:

- September is the time for beneficiaries to compare their health needs to the coverage they have and prepare questions about their coverage.
- October is when they should evaluate benefits, using the one-page Medicare Checkup as a guide.
- November is the month to choose a new plan or change plans, if desired.
- December gives beneficiaries the opportunity to maximize their benefits, working with their doctor to develop a personalized plan for prevention.

September and October are gone, of course, with the holidays coming up quickly. But there's still time to compare, evaluate, choose and maximize your Medicare benefits. Once again the Lt. Governor's Office on Aging has created a "Special Report for Seniors" aimed at helping you and your family understand all of the options available through Medicare, and giving you the tools to make the best decision possible about your Medicare coverage. Inside this issue you will find articles outlining some of the changes in Medicare for 2007, new options available in South Carolina, as well as other articles and information on topics that affect the health and welfare of our senior population.

All of these major changes to Medicare and our booming senior population have important consequences for our state over the coming decades. It is critical for our future that South Carolina stay ahead of the curve in addressing the healthcare and other needs of our rapidly-growing senior population. Your State Office on Aging is working hard at building a future that makes South Carolina a state that reaps the benefits of a senior population that is healthy, independent and able to put their years of experience, resources and know how to work.

I hope you find this issue of "Special Reports for Seniors" useful and informative. Many organizations and companies made financial contributions that allowed us to produce this publication.



# New Plan Helps Fight Chronic Disease

November 15th marks the beginning of Medicare's annual open enrollment period. This is your time to make important decisions about your Medicare choices and to make changes in your Medicare insurance program.

Last year the big focus was on prescription drug coverage called Part D, and the Office on Aging's I-CARE Insurance Counselors and our many partners around the state were here to help you understand the choices available. This year there are some new programs from Medicare that we also want you to know about. One new option created by the Medicare Modernization Act is Medicare Advantage "Special Needs Plans" for seniors with chronic illnesses such as diabetes, heart failure, and end stage renal disease.

Medicare Special Needs Plans were created by the same legislation that created Medicare Part D – the Medicare Modernization Act of 2003. Lawmakers and federal healthcare policy experts realized that Medicare beneficiaries with chronic illnesses could benefit greatly from specialized care geared specifically towards helping them manage their conditions.

They knew that seniors are more likely to be diagnosed with chronic illnesses, and that the overall prevalence of many chronic conditions is on the rise across the country. In South Carolina, Centers for Disease Control statistics show that the number of residents with diabetes was over 50% higher in 2004 than in 1994. Those same studies show that for the past ten years, heart disease has continued to be a leading cause of death among South Carolina's population – with recent reports showing it to account for 26% of deaths across the state. With 90% of seniors having at least one chronic illness and 77% having two or more chronic illnesses, Medicare-approved Special Needs Plans can play a major role in helping improve health outcomes for Medicare beneficiaries in South Carolina.

Special Needs Plans combine traditional Medicare coverage for Parts A and B with Part D and additional coverage and services tailored for certain chronic conditions. Based on this combination of Medicare Advantage and Part D services, they are called MA-PD plans. Special Needs Plans for seniors with chronic conditions vary depending on the conditions they cover. Most focus on diabetes, heart failure, chronic obstructive pulmonary disorder, and/or kidney failure. Oftentimes seniors are coping with not just one, but several chronic illnesses – in a Special Needs Plan, the benefits, services, and drug coverage or formulary are tailored to fit individuals with the illnesses they focus on.

Most chronic illness focused Special Needs Plans offer specialized disease management services to their members. For those that may not be too familiar with the term, disease management is a program or approach that helps people living with chronic illnesses manage their health with the support of their doctors, special nurses, and support-

ive services like transportation. The goal is to help members with a chronic illness live a more active and comfortable life and help prevent, reduce or delay complications that can result in hospitalization or institutional care.

For example, people with diabetes often see multiple doctors, have numerous prescriptions, complicated medication schedules, and the added concern of diet and exercise. Disease management services seek to support them by providing things such as medication reviews, education on proper foot care, and/or assistance with blood sugar monitoring devices to simplify these issues and reduce their risk of complications such as amputation or blindness.

For those with heart failure, disease management can help provide services that includes medication, exercise and nutrition counseling to prevent additional health problems and hospitalization. Some programs will offer access to a local nurse for health related questions in between doctor's visits, or blood pressure cuffs to help members monitor their cardiovascular health.

While traditionally, health plans have focused their efforts on helping members with health problems as they arise, Special Needs Plans take what's considered to be a more proactive approach – using disease management and other services to try and head-off further health problems before they arise.

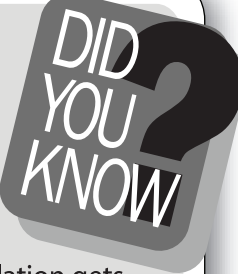
Research has shown that disease management can help to improve health outcomes. For example:

- A reduction in blood pressure can reduce heart attacks, strokes, and deaths from cardiovascular disease
- Improved blood sugar control in people with diabetes reduces their risk of developing complications such as eye, kidney, and nerve disease
- Regular eye exams and timely treatment could prevent diabetes-related blindness
- Regular foot examinations and monitoring can prevent diabetes related amputations

Some healthcare industry experts recognize the potential for Special Needs Plans and other disease management focused initiatives to address the looming Medicare budget crisis. Our nation's healthcare expenses have already reached crisis proportions, but in 2011, when the "baby boomers" become eligible for Medicare, it is predicted that their medical costs will completely overwhelm federal and state budgets. Just in South Carolina, over the next three decades, it's estimated that the senior population will double to 1.3 million.

Medicare leaders hope that offering plans specifically geared towards meeting the needs of people with chronic health problems will lead to better health outcomes for those people and lower costs for the Medicare system overall. To find out more about Special Needs Plans or what plans may be available to you in this open enrollment period, please refer to page four of this publication.

## Flu Season Is Here



According to the U.S. Centers for Disease Control, every year in the United States, on average:

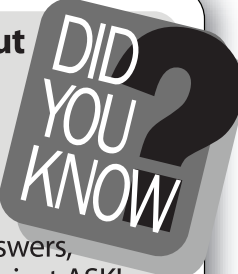
- 5% to 20% of the population gets the flu
  - More than 200,000 people are hospitalized from flu complications
  - About 36,000 people die from the flu
- The flu can be especially dangerous for people over age 65. Flu viruses spread mainly from person to person through coughing or sneezing.

The good news is that the flu shot is safe and it works. The best way to prevent the flu is by getting a flu vaccination each fall. Also, Medicare will pay for you to have the flu shot. (The 30,000 Medicare beneficiaries in Advantage plans should contact their insurer for specific guidance on how to get their shot through their managed care network.)

To find a flu shot clinic in your area, visit these web sites.

[www.thecarolinascenter.org/fcf](http://www.thecarolinascenter.org/fcf)  
[www.flucliniclocator.org](http://www.flucliniclocator.org)  
[www.findaflushot.com](http://www.findaflushot.com)

## ASK Questions About Your Medications?



Don't Take Chances... your pharmacist is the medication expert and can provide you with Answers, Service and Knowledge – just ASK!

Talking with a pharmacist can reduce the total cost of your drug bill by better use of less expensive generic drugs, understanding complications and the benefits of the medications that you are taking and helping you stay out of the "gap in coverage"!

Talk to your pharmacist: your health depends on it!

This message brought to you by the SC Pharmacy Association and the Carolina Pharmacy Network.



# Companies Offering Stand-Alone (PDP) Part D and Medicare Advantage Plans in S.C. for 2007

Company Name	Type of Plans Offered*	Number of PDP Plans
Aetna Medicare	Prescription Drug Plans	3
Blue Cross Blue Shield of S.C.	PDP and MA	2
BlueChoice HealthPlan	Medicare Advantage Plans	-
Care Improvement Plus	MA Special Needs	-
Carolina Medicare Prime	PDP and MA	2
CIGNA HealthCare	Prescription Drug Plans	3
Coventry AdvantraRx	Prescription Drug Plans	3
EnvisionRx Plus	Prescription Drug Plans	2
First Health Part D	Prescription Drug Plans	2
Health Net	Prescription Drug Plans	3
HealthSpring	Prescription Drug Plans	1
Humana	PDP and MA	3
InStil Health Insurance Co.	PDP and MA	2
Medco YOURx PLAN	Prescription Drug Plans	1
MEMBERHEALTH	Prescription Drug Plans	3
NMHC Group Solutions	Prescription Drug Plans	1
Pennsylvania Life	Prescription Drug Plans	3
PerformRx	Prescription Drug Plans	2
RxAmerica	Prescription Drug Plans	2
SAMAscript	Prescription Drug Plans	1
SecureHorizons Direct	Medicare Advantage Plans	-
SierraRx	Prescription Drug Plans	2
SilverScript	Prescription Drug Plans	3
Sterling	PDP and MA	2
Today's Option	Medicare Advantage Plans	-
Unicare	Prescription Drug Plans	3
United American	Prescription Drug Plans	2
UnitedHealthcare	Prescription Drug Plans	5
WellCare	Prescription Drug Plans	3

\* Not all plans offered by a particular company may be available in all counties. For a more detailed look at what each company offers, consult the "Medicare & You 2007" handbook mailed to each Medicare beneficiary or visit the online plan finder at [www.Medicare.gov](http://www.Medicare.gov).



	YES	NO
Are electrical outlets overloaded with too many plugs?	<input type="checkbox"/>	<input type="checkbox"/>
Do the cords of appliances and power tools have bare wires or worn places?	<input type="checkbox"/>	<input type="checkbox"/>
Do electric cords run under rugs or furniture?	<input type="checkbox"/>	<input type="checkbox"/>
Are electric cords in areas where they could cause you to trip?	<input type="checkbox"/>	<input type="checkbox"/>
Are electric appliances near water where they could get splashed or fall in?	<input type="checkbox"/>	<input type="checkbox"/>
Are electric heaters close to anything that can burn?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any light bulbs that are higher than the recommended wattage for the lamp or fixture?	<input type="checkbox"/>	<input type="checkbox"/>
Are any electric outlets around your home missing their faceplates?	<input type="checkbox"/>	<input type="checkbox"/>
If fuses are used in your home, are any of them oversized?	<input type="checkbox"/>	<input type="checkbox"/>

If you answered "YES" to any of these questions, correct the problem to make your home safer. For more information about electrical safety, visit [www.duke-energy.com](http://www.duke-energy.com).

### Our Customers' Safety is Important to Us

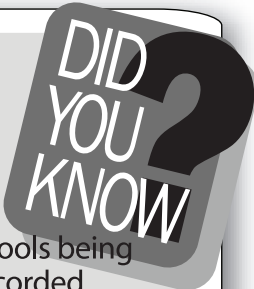
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## Medicare Options Compare

Medicare wants seniors and their families to be aware of a new web site designed to help choosing or changing drug plans easier. The old "Medicare Personal Plan Finder," used by millions of people during the initial enrollment period, is now "Medicare Options Compare."

The site has been redesigned to be easier to use, and is one of the new tools being introduced in the "My Health. My Medicare" promotional campaign. A recorded "Webinar" (web-based seminar) is now available to help people learn more about how to use this tool. Click <http://www.cms.hhs.gov/center/partner.asp> to take the online "Navigating the Medicare Prescription Drug Plan Finder" tutorial. This short tutorial will walk you through the Drug Plan Finder and also highlights the changes for 2007. The compare tool itself can be found at <http://www.medicare.gov>.





These insurance companies have sponsored the printing and distribution of more than 1 million copies of this Special Report to Seniors. The Lt. Governor's Office on Aging thanks them, as well as the AARP South Carolina, the South Carolina Pharmacy Association and the South Carolina Press Association. Special thanks goes to the Duke Energy Foundation.

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This Special Report for Seniors is also available online on the web site of the Lt. Governor's Office on Aging at [www.aging.sc.gov](http://www.aging.sc.gov). The Internet version of Special Report for Seniors contains live links that will take you directly to the web pages of our sponsors and to the other web sites mentioned in this publication.

# Is a Medicare Advantage Private-Fee-for-Service Plan Right for Me?

Medicare Advantage Plans that combine traditional Part A and Part B benefits in an HMO-style package have been available as an option for Medicare beneficiaries for several years, but with the addition of the prescription drug benefit and the widespread marketing of these types of plans in conjunction with the roll-out of Medicare Part D last year, many seniors have found themselves asking, "Is a Medicare Advantage Plan the right option for me?"

The answer is: it certainly can be. Many Medicare Advantage plans offer an attractive package of benefits at reasonable rates. But as with any insurance plan, it's absolutely critical to do your homework and find out if a particular plan meets your needs. If you need help making a decision about whether or not to sign up for a Medicare Advantage plan, please refer to the back cover of this issue of "Special Report for Seniors" to find the telephone number of the I-CARE insurance counselor closest to you. In the meantime, below are some questions and answers about Advantage plans to help get you started.

## What is a Medicare Advantage (MA) private-fee-for service plan?

- Medicare Advantage plans (also known as Part C plans) are health insurance plans offered by private insurance companies under contract with the Medicare program.

## Will a Medicare Advantage plan cover my prescription drugs?

- Some MA plans cover prescription drugs, and some do not. Also, different levels of coverage may be offered depending on price or other factors. For example, some MA plans offer coverage in the gap or "doughnut hole," while others do not. That coverage may be for generics and brand name drugs, or generics only.
- Make sure the MA plan you are considering meets your needs before making a final decision.

## What are some of the questions I should ask, and what should I know before joining a Medicare Advantage plan?

- Do my doctors and hospitals accept the Medicare Advantage plan?
- What are my out-of-pocket costs, such as co-payments for office visits, hospital stays and outpatient services?
- Some plans offer extra benefits that Medicare does not cover. Is there a cost for the extra benefits?
- Will the Medicare Advantage Plan cover short-term nursing home stays?
- Medicare Advantage plans can charge a deductible, co-pay and co-insurance that is different than Medicare.
- Other health insurance plans (Medigap, retiree plan and Medicaid) may not coordinate/work with Medicare Advantage plans.
- Medicare Advantage plans may cost less than a Medigap supplemental plan, but do not offer the same benefits.

- You will keep your Medicare card and use the Medicare Advantage card for all medical services.

## What do I need to enroll in a Medicare Advantage Plan?

- You must have both Medicare Part A and Part B. You must continue to pay the monthly Medicare Part B premium.

When can I join a Medicare Advantage Plan?

- You may join during the Part D annual election period of November 15 – December 31.
- You may also join during Medicare Advantage plan annual open enrollment period of January 1 – March 31.

## When can I dis-enroll from a Medicare Advantage plan?

- During the Part D annual election period of November 15 – December 31 or the Medicare Advantage plan annual open enrollment period of January 1 – March 31, beneficiaries can return to regular Medicare and enroll in a Prescription Drug Plan, or they can switch to a different Medicare Advantage plan.

## How can I dis-enroll?

- Call Medicare 1-800-633-4227 dis-enrollment unit to submit a request.
- Write or call your current Medicare Advantage plan provider to request dis-enrollment.

## Never sign up for an insurance policy that you do not understand. Remember these tips:

- Medicare Advantage plans can't enroll you over the telephone unless you call them to join.
- Medicare Advantage plans can't come to your home uninvited to sell their product, but they can call to discuss health plans.
- Talk to family or friends before you buy, do not give in to sales pressure.

*For more information Contact the I-CARE program counselor at the Area Agency on Aging that serves your region of the state or the State Office in Columbia (see the back cover for telephone numbers).*

*You may also contact the South Carolina Department of Insurance at 800-768-3467 for information about Medigap or Medicare supplemental policies.*

## Factors to think about in choosing a plan

- How much is the monthly premium?
- Are your specific prescription drugs covered by the plan?
- Are there prior authorization requirements?
- Are there different co-pays for generics, brands, or for specific drugs?
- Is your drug store in the plan's network?
- Is mail-order allowed or required?
- How does the plan address the doughnut hole?

## Five Crucial Questions Cont. from page 1

Your pharmacist should provide the reason the prescription could not be filled and may offer a different version or a generic brand that can be used as an alternative. If generics are not an option, review your plan's appeals process and contact the plan to seek a waiver/exception. If the prescribed drug isn't on your plan's medication formulary, and no generic version is available, you can also check with your doctor to see if he or she can change the medication. Ask your pharmacist if he or she will work with your doctor to find a medication that is covered, if not, ask which medicines in that prescription type is covered so that you can work with your doctor.

If your pharmacist advises you that your coverage has ended, you should first call the plan to find out why. If you disagree with their reasons, you should then contact Medicare at 1-800-633-4227.

Also, if you changed plans within the last 30 days, be certain you are using the insurance card for your new plan. If you have not received your new cards, you should call the company for your identification numbers so that you can give them to your pharmacist and ask that new cards be mailed to you.

3. I've reached the "doughnut hole" in my stand alone Part D coverage and I just found out that I'm eligible for the state GAPS program, but my current plan doesn't work with GAPS. Can I switch to a GAPS-approved plan, and if so, will my \$250 yearly deductible start over again?

Medicare rules allow you to make a one-time change at any point in the year if you are GAPS-eligible. If you are already in the "doughnut hole" when you make that change, you will not be required to pay another deductible to your new GAPS-approved plan. However, if you make the switch to a plan that works with GAPS before you reach the "doughnut hole," you will have to pay the deductible under the new plan.

4. When can I switch Prescription Drug Plans (PDPs)?

Generally, everyone has the opportunity to switch plans during open enrollment between November 15 and December 31 of every year. However, under some circumstances certain individuals can join or change plans prior to this date:

- Beneficiaries who have both Medicare and Medicaid
- Beneficiaries who become eligible for extra help
- Beneficiaries who are newly eligible for Medicare (initial enrollment)
- Beneficiaries who lose creditable coverage due to no fault of their own
- Beneficiaries entering or leaving a nursing home

For more information please contact your local I-CARE counselor (telephone numbers are listed on the back cover of Special Reports for Seniors).

5. How can I get out of a Medicare Advantage plan?

- You can leave a MA plan in one of three ways.
- Call or write the plan to request disenrollment
- Call Medicare at 1-800-633-4227, and ask for the MA disenrollment unit.
- Enrollment in a different MA plan will automatically terminate the former plan.



# South Carolina's GAPS Can Help With "Doughnut Hole" Expenses

According to the Medicare Rx Network of South Carolina, the Department of Health and Human Services estimates that more than 52,000 Medicare beneficiaries in South Carolina (and more than 3.3 million nationwide) who qualify for extra help with the cost of their Medicare Drug coverage have yet to apply.

The Low Income Subsidy (LIS) assistance provided by Social Security helps many people on fixed incomes with the premiums and out-of-pocket costs of Medicare drug coverage. But what you may not know is that South Carolina also offers help to people who do not qualify for LIS because their income or assets are too high. The South Carolina assistance Plan (called GAPS, or the Gap Assistance Pharmacy Program for Seniors) works with certain Medicare Prescription Drug Plans (PDPs) to help beneficiaries pay for expenses incurred during the coverage gap or "doughnut hole" as it is sometimes referred to. GAPS has a higher income eligibility cutoff than LIS, and you cannot be disqualified from GAPS because of assets you own such as property.

Below are some GAPS basics. For more detailed information, contact the South Carolina Department of Health and Human Services (toll-free) at 1-888-549-0820.

### How It Works

Most individuals who join a Medicare Prescription Drug Plan in 2007, after paying a monthly premium, will be responsible for 100% of their drug costs between \$2,400 and \$5,451.25. This gap in Medicare drug coverage that many people will face is referred to as the "doughnut hole." GAPS will provide state pharmacy assistance to "fill the gap" for seniors' Medicare prescription drug coverage when their drug costs reach the "doughnut hole". With GAPS, seniors will only pay 5% of their prescription costs between \$2,400 and \$5,451.25.

### Eligibility

To be eligible for prescription drug coverage through GAPS, an individual must meet the following requirements:

- Must be a South Carolina resident.
- Must meet citizenship and alien requirements.
- Must be age 65 or older.
- Gross household income must be at or below 200% of the Federal Poverty Level (\$2,200 a month for a family of 2).

### Before You Apply

Before you apply for GAPS, you should take the following steps:

- Check to see if you qualify for Extra Help through the Federal government with your prescription drug costs. Extra Help is for those with limited income and resources. If you qualify, this Extra Help will benefit you more than GAPS. If you have not already checked to see if you qualify for Extra Help, please do so. Online applications are available at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213. You do not need GAPS if you can get Extra Help.
- If you have never applied for Medicaid benefits and think you may qualify, contact your local Medicaid office. If you do not know where to go, visit our website at <http://www.dhhs.state.sc.us> or call 1-888-549-0820. Medicaid coverage will benefit you more than GAPS.
- Medicare Prescription Drug coverage does not begin until you have joined a drug plan. Join a Medicare Prescription Drug Plan (PDP) that participates with the SC Department of Health and Human Services (DHHS). To benefit from GAPS, you must select a PDP that is participating in GAPS. Not all PDPs participate in GAPS. Ask your PDP if they participate with GAPS.

More Information about Help with Drug Costs on the Internet:

For information about Social Security's LIS program, or to apply online, visit the following page on the Social Security web site:

<https://s044a90.ssa.gov/apps6z/i1020/main.html>  
If you need more information about the GAPS program, the following URL will take you directly to the GAPS page on the DHHS web site:  
<http://www.dhhs.state.sc.us/dhhsnew/insidedhhs/bureaus/bureauofeligibilityprocessing/silverxcard.asp>

The online Center for Medicare Advocacy Inc. has compiled a listing of pharmaceutical company and drugstore discount cards that may be of help for individuals whose incomes are too high for either LIS or GAPS. The following URL will take you directly to that page on the organization's web site:

[http://www.medicareadvocacy.org/PrescDrugs\\_DiscountPrograms.htm#top](http://www.medicareadvocacy.org/PrescDrugs_DiscountPrograms.htm#top)  
The online application for GAPS developed by DHHS and the Lt. Governor's Office on Aging can save you time. It is available via the SCAccess web site at the following URL:  
[www.scaccesshelp.org](http://www.scaccesshelp.org)

The following companies offer PDPs that work with GAPS in S.C.
BlueCross BlueShield of SC
Community Care Rx (Memberhealth)
First Health Life and Insurance
Instil
Wellcare
Humana (pending per DHHS)

## More Part D Plans With Gap Coverage Available in 2007

Seniors and people with disabilities who are satisfied with their current Medicare prescription drug coverage will not have to take any action when the Medicare Open Enrollment period begins November 15th, but those who wish to make a change will find new options with lower costs and more comprehensive coverage available for 2007, according to the Centers for Medicare and Medicaid Services (CMS).

CMS says that nationwide, the monthly premium beneficiaries will pay in 2007 will average \$24 if they stay in their current plan -- about the same as in 2006. While some people will see an increase in their current plan premiums, they also have the option to switch plans. A complete list of stand alone Part D plans available in South Carolina can be found on page 4.

Beneficiaries will have more plan options that offer enhanced coverage, including zero deductibles and coverage in the gap for both generics and preferred brand name drugs. Nationwide, the aver-

age number of drugs included on a plan formulary will increase by approximately 13 percent. There are eight new national organizations offering drug plans in 2007 in addition to the nine national organizations that were available in 2006.

Beneficiaries with limited incomes who qualify for extra help from Social Security will have a range of options available for comprehensive coverage. Beneficiaries who qualify for the full LIS subsidy will pay no premiums or deductibles in these plans. Nationally, over 95 percent of low income beneficiaries will not need to change plans to continue to receive this coverage for a zero premium.

In addition to stand alone drug plans, CMS also says that beneficiaries will have better access to Medicare Advantage health plans next year, generally with lower costs for drug coverage. Medicare Advantage plans can provide overall care coordination, and more effective use of drugs that lead to savings in other health care costs. An in-depth

- look at Medicare Advantage plans is on page 6.
- People who are considering making a change to their Medicare coverage in 2007 will have access to help from many sources in the fall including:
- A notice of any coverage changes from their drug plan, (should come in the mail at the end of October)
  - The enhanced Medicare Drug Plan Finder will be available in mid-October
  - 1-800-Medicare (1-800-633-4227) which will be available 24/7
  - The Medicare & You 2007 handbook, the annual handbook that explains Medicare coverage, which beneficiaries will receive in October
  - Local organizations such as the Lt. Governor's Office on Aging I-CARE program and thousands of other Medicare partner organizations that will provide personalized assistance throughout the fall. (A list of local I-CARE telephone numbers to call for help in South Carolina is included on page 8.)

# Important Telephone Numbers to Call for Help

Services available directly from your Regional Area Agency on Aging (AAA) include the following:

- I-CARE insurance counselors, who can help you with information about Medicare and its prescription drug program
- Information, Referral and Assistance Specialists, who can help with locating services or making referrals using SC Access and other community resources
- Family Caregiver Advocates, who specialize in helping individuals caring for elderly family members and grandparents raising children
- Long Term Care Ombudsmen, who investigate suspected abuse, neglect or exploitation of seniors and vulnerable adults in facilities and provide information on advanced directives and living wills



**Region 1, Appalachia - (864) 242-9733**

(Anderson, Cherokee, Greenville, Oconee, Pickens and Spartanburg counties)

**1-800-434-4036** (outside Greenville County)

**Region 2, Upper Savannah - (864) 941-8050**

(Abbeville, Edgefield, Greenwood, Laurens, McCormick and Saluda counties)

**1-800-922-7729** (outside Greenwood County)

**Region 3, Catawba - (803) 329-9670**

(Chester, Lancaster, York and Union counties)

**1-800-662-8330** (outside York County)

**Region 4, Central Midlands - (803) 376-5390**

(Fairfield, Lexington, Newberry and Richland counties)

**1-877-744-5130** for I-CARE

**1-866-394-4166** for IR&A Specialist

**1-800-391-1185** for Ombudsman

**Region 5, Lower Savannah - (803) 649-7981**

(Aiken, Allendale, Bamberg, Barnwell, Calhoun, and Orangeburg counties)

**1-866-845-1550** (outside Aiken County)

**Region 6, Santee Lynches - (803) 775-7381**

(Clarendon, Kershaw, Lee and Sumter counties)

**1-800-948-1042** (outside Sumter County)

**Region 7, Pee Dee - (843) 383-8632**

(Chesterfield, Darlington, Dillon, Florence, Marion and Marlboro counties)

**1-866-505-3331** (outside Darlington County)

**Region 8, Waccamaw - (843) 546-4231**

(Georgetown, Horry and Williamsburg counties)

**1-888-302-7550** (outside Georgetown County)

**Region 9, Trident - (843) 554-2275**

(Berkeley, Charleston and Dorchester counties)

**1-800-894-0415** (outside Charleston County)

**Region 10, Lowcountry - (843) 726-5536**

(Beaufort, Colleton, Hampton and Jasper counties)

**1-877-846-8148** (outside Jasper County)

## New in 2007: Medicare Part B Premium Rates Tied to Income

Starting January 1, 2007, the premiums for Medicare Part B will increase, and for the first time, the rate you pay will be based on your income. If your income is above \$80,000 (single) or \$160,000 (married couple), Social Security will use the income reported two years ago on your IRS income tax return to determine your premium (if unavailable, SSA will use data from three years ago). For example, the income reported on your 2005 tax return will be used to determine your monthly Part B premium in 2007. If your income has decreased since 2005, you can ask that the income from a more recent tax year be used to determine your premium. At the end of 2006, Social Security will send you a letter if your Part B premium will increase based on the level of your income and tell you what you can do if you disagree. For more information about premiums based on income, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

You Pay	If Your Yearly Income is:	Single	Married Couple
\$93.50		Under \$80,000	Under \$160,000
\$106.00		\$80,000-\$100,000	\$160,000-\$200,000
\$124.70		\$100,000-\$150,000	\$200,000-\$300,000
\$143.40		\$150,000-\$200,000	\$300,000-\$400,000
\$162.10		Above \$200,000	Above \$400,000

Join AARP South Carolina members of the SC House of Representatives for a lunch and learn about Medicare Part D – Prescription Drug Plans. You may be eligible for assistance in paying your premiums. Open enrollment period is from November 15 through December 31, 2006. Don't wait until it's too late to enroll in a prescription drug plan. For a list of meeting locations call 1-866-389-5655 or log on to [www.aarp.org/sc](http://www.aarp.org/sc)

SAVE THE DATE